

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MADISON COUNTY WATER)	
DISTRICT TO ISSUE REVENUE BONDS IN THE)	
APPROXIMATE PRINCIPAL AMOUNT OF)	
\$3,565,000, SERIES 1997, FOR THE PURPOSE)	
OF DEFEASING IN ADVANCE OF MATURITY)	CASE NO.
THE SERIES OUTSTANDING BONDS OF THE)	97-354
MERGED WACO, KINGSTON TERRILL, AND)	
WHITEHALL WATER DISTRICTS AND TO)	
CHANGE NAME TO MADISON COUNTY)	
UTILITY DISTRICT)	

O R D E R

On August 12, 1997, the Madison County Utility District ("Madison County Utility") applied for authority to issue \$ 3,565,000 of Refunding Revenue Bonds, Series 1997 ("Series 1997 Refunding Bonds"). The Series 1997 Refunding Bonds will have interest rates that vary from 4.5 percent to 6 percent per annum for a 25-year term.

The proceeds from the Series 1997 Refunding Bonds will be used to defease the outstanding revenue bonds and bond anticipation notes of the former Waco Water District Bond Series 1965 and Bond Anticipation Notes, Series 1997; Whitehall Water District Bond Series 1968 and 1987; and Kingston-Terrill Water District Bond Series 1965 and 1978, and Bond Anticipation Notes, Series 1996, which have a combined outstanding principal amount of \$3,965,000. Once the defeasement of the debt is accomplished, Madison County Utility will establish unified rates to complete the merger process. Madison

County Utility estimates the defeasement of the outstanding revenue bonds will result in a cumulative gross savings of \$541,493 and a net present value savings of \$152,368.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that Madison County Utility's proposal to issue \$3,565,000 of Series 1997 Refunding Bonds is for a lawful object within Madison County Utility's corporate purpose, is necessary, appropriate for and consistent with the proper performance of its service to the public, and should therefore be approved.

IT IS THEREFORE ORDERED that:

1. Madison County Utility is authorized to issue \$3,565,000 of Series 1997 Refunding Bonds, at an interest rate that will vary between 4.5 percent and 6 percent per annum.
2. Madison County Utility shall issue its proposed Series 1997 Refunding Bonds only on such terms that will result in a positive net present value savings and which are consistent with its application.
3. Madison County Utility shall, within 30 days after issuance of the securities, advise the Commission in writing of the date or dates of issuance of the securities, the price paid, the interest rate, the purchasers, and all fees and expenses, including underwriting discounts or commissions, or other compensation involved in the issuance and distribution.
4. The proceeds from the transactions authorized herein shall be used only for the lawful purposes specified in Madison County Utility's application.
5. Upon adoption of its new name, Madison County Utility shall file a revised tariff using the new name.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 21st day of October, 1997.

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman


Commissioner

ATTEST:


Executive Director